

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 25, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Hawaii

Consent to Assign General Lease No. S-3750, Art K.K. Wong and Cynthia L. Wong, Assignor, to Jieyu Shepard, Assignee, Waiakea, South Hilo, Hawaii, Tax Map Key: 3rd/2-2-50:76.

APPLICANT:

Art K.K. Wong and Cynthia L. Wong, as Assignor, to Jieyu Shepard, single, Tenant in Severalty, whose business and mailing address is P.O. Box 11040 Hilo, Hawaii 96721, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION AND AREA:

Portion of Government lands of Kanoelehua Industrial Lots situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: 2-2-50:76, consisting of approximately 11,914 square feet, as shown on the attached map labeled Exhibit A.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

Commercial and industrial purposes.

TERM OF LEASE:

55 years, commencing on 4/26/1963 and expiring on 4/25/2018. Last rental reopening occurred on 4/26/2003; next rental reopening is scheduled for 4/26/2013.

ANNUAL RENTAL:

\$6,900.00.

CONSIDERATION:

\$ 85,000.00.

RECOMMENDED PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

Both Assignor and Assignee are sole proprietorships and therefore are not required to register with DCCA.

REMARKS:

Pursuant to Act 32, Session Laws of Hawaii 1962, authorized the Department to enter into direct negotiation of leases or lease with option to purchase of public lands to victims of natural disaster. On April 26, 1963 General Lease No. S-3750, was issued to Jiro Tanaka d.b.a. Tanaka Electrical Services as a lease with option to purchase.

On August 27, 1971, under Agenda Item F-6, the Board approved the waiver of the performance Bond requirement.

At its meeting of January 24, 1997, under Agenda Item D-15, the Board approved the assignment of GL S-3750 from Jiro Tanaka, Assignor, to J. T. Family Partners and Yukie Tanaka, Trustee of the Yukie Tanaka trust as tenants in common, each having an undivided one-half (1/2) interest as Assignee.

At its meeting of April 25, 2003, under Agenda Item D-2, the Board approved the assignment of lease from J. T. Family Partners and Yukie Tanaka, Trustee of the Yukie Tanaka Trust, Assignor, to Art K.K. Wong and Cynthia L. Wong as husband and wife, Tenants by the entirety, Assignee.

Art K.K. Wong and Cynthia L. Wong, Assignor
, Jieyu Shepard, Assignee

The assignee is seeking to expand existing business opportunities on the Island of Hawaii. They wish to utilize the warehouse located on the subject property for storage cabinet and counter materials.

The Lessee is compliant with the terms and conditions of the lease with regards to rent and insurance and has not had a notice of default for any reason.

The Assignee has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

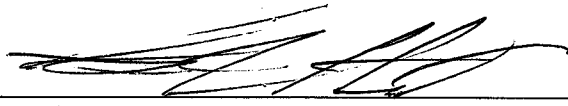
The last rental reopening was on 4/26/2003. The next rental reopening is scheduled for 4/26/2013. There are no outstanding rental issues at this time.

RECOMMENDATION:

That the Board consent to the assignment of General Lease No. S-3750 from Art K.K. Wong and Cynthia L. Wong, Assignor, to Jieyu Shepard, Assignee, subject to the following:


1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Gordon C. Heit
Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson

